

THE DIRECTOR OF
CENTRAL INTELLIGENCE

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National Intelligence Officers

NOTE TO: Bruce C. Clarke, Jr.
DD/NFA

Fred Hitz
Legislative Counsel

FROM : Robert M. Gates
NIO/USSR-EE

SUBJECT: Speech Material for Senator Warner

Attached is a copy of what I consider to be an unclassified version of my presentation to the Senate Armed Services Committee. Before OLC gives it to Senator Warner, the three of us should discuss the advisability of doing so. It seems to me there are questions of strategy and principle involved that go beyond this single instance. Should you decide to proceed, some ground rules would probably be necessary. Let me know when you would like to get together.



Robert M. Gates

Attachment:
As Stated

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The 26th Congress of the Soviet Communist Party will convene in Moscow late next month. It will review the successes and achievements of the last five years and approve basic foreign and domestic policies for the next five. One of its more difficult tasks will be the assessment of changes in the international environment since 1976.

What is the Soviet view of changes in the international environment since their last Congress, in 1976. In 1976, the Soviet saw:

- The US military retrenchment compared to vigorous broad Soviet programs.
- The US withdrawal from international involvements, especially in the Third World.
- And the possibility of improved relations with China after the death of Chairman Mao.

Since 1976, there have been a number of important developments favorable to Soviet interests:

- First and foremost among these is the fall of the Shah. Although the Soviets did not have a ~~major~~ role in the overthrow of the Shah, ~~it~~ ^{they} certainly have been a principal beneficiary of the expulsion of the US.
- The spread of political ferment and anti-US policies in the Caribbean and Central America.
- The appearance of increased differences between the Europeans and the United States on a wide range of issues, including specifically how to respond to Soviet adventurism abroad.

- They have secured a pro-Soviet regime in Afghanistan. While this certainly has involved difficulties and setbacks for the Soviets, they have made an important advance into Southwest Asia and they are clearly there for the long term.

At the same time there have been a number of developments unfavorable to the USSR.

- Increased efforts among the US, Western Europe, China, Japan and some leading Third World countries (Egypt, Pakistan) to coordinate policies relating to the USSR.
- The normalization of US relations with China and the quick development of what appears to the Soviets to be a security cooperation relationship. This in turn has not been accompanied by a commensurate improvement in Sino-Soviet relations.
- The Chinese border war with Vietnam was a significant demonstration of Chinese willingness to attack a Soviet ally even at the risk of Soviet retaliation. Moreover, the fact that this attack took place less than three months after the Soviets signed a Friendship Treaty with the Vietnamese brought the Soviets considerable loss of face in Asia.

There are three additional unfavorable developments for the Soviets since 1976 that still ~~currently~~ preoccupy the Soviets:

- The first of these is Poland. In late November, the Soviets began to prepare their forces for use in Poland. On December 5th, at a Summit of the Warsaw Pact in Moscow, we believe Kania received more time to get control of the situation in Poland but had his flexibility for doing so severely constrained. We believe the Soviets did not go into Poland because of the assurances they received

from Kania that he could get the situation under control, the enormous military and economic costs of such an intervention, and finally the stiff foreign reaction to the possibility of such an invasion. The Poles themselves were sobered for a time by military preparations and this accounts in part for the lull during most of December and early January. Nevertheless, ~~throughout~~ Soviet concerns remain: internal disorder in the Party, continuing challenge by the union to the Party, and no solace for the Soviets in the economic and political trends in the country. ^{The} Soviets currently are waiting to see if Kania can ~~in~~ fact reestablish order in the country and discipline in the Party. He has taken a harder line and this has led to the renewed unrest we are seeing now.

-- Iran and the Iran-Iraq War. As I mentioned earlier, the Soviets have benefited from Iran's action in expelling the United States. The Soviets main objective at this point is to keep the US out. They perceive this problem as more difficult now that the hostages have been released. At the same time the Soviets have made little headway with the regime. They had hoped to use the war between Iran and Iraq as a means to gain favor with both countries, ~~but~~ ~~they~~ have had little success. Indeed, relations with Iraq have become strained.

-- The US. And of course the third current preoccupation of the Soviet leaders is the collapse of the US-Soviet detente in recent years. The Soviets are concerned by the possibility of a resurgent US assuming a more assertive role abroad and by the prospect of a US effort to recapture its strategic arms lead of a decade or so ago. Key for the Soviets is the future of SALT. It is central to the Soviet view of bilateral relations. These ongoing negotiations not only

provide the Soviets the potential to limit US programs and influence US strategic decisions but, as in the 70s, the negotiations themselves create pressures in the US which constrain its responses to Soviet adventurism in the Third World. For better or for worse, the US is central to Soviet defense policy. The Soviets are not just reactive to the US -- they have their own objectives and policies. But in both instances, US actions and responses are central.

What is next for the Soviets as they look to the 80s? They are aware that in the 1970s their growth in ^{their} military power made possible a much greater ~~Soviet~~ ability and willingness to project their power abroad. We have seen a more assertive and aggressive Soviet foreign policy since the US withdrawal from Vietnam, beginning with the Soviet-Cuban intervention in Angola. The experience of the 70s suggests to the Soviets that they can work toward the achievement simultaneously of two fundamental objectives: preventing and controlling change in ~~the~~ ^{the} own sphere of influence and in areas where instability might adversely affect them; and, at the same, promoting change in the Third World and in areas where instability might advance their interests. Success in doing both, however, depends to an important extent on the response and actions of the US.

The Soviet pursuit of these objectives has specific policy implications for the next few years.

-- First, ~~and foremost~~ the Soviets will continue their opportunism in the Third World, exploiting and creating instability and political conflict in the Third World. They will focus on targets as widely diverse as Southwest Asia, Africa, Central America and the Middle East. As in the past, they will not restrain themselves out of deference to US sensitivities or to promote better relations.

- They will continue their efforts to weaken and split US ties with Western Europe as well as the NATO alliance.
- They will continue to attempt to contain China, especially through support to Vietnam.
- They will try to prevent settlement of the Arab-Israeli dispute. Continuation of "no war - no peace" serves their interests best.
- They will be assertive in defending their established clients, Vietnam, Cuba, Ethiopia, Afghanistan, Yemen and so forth.

In the defense area,

- The Soviets will compete with any acceleration of US strategic programs in the 1980s, regardless of the cost or state of their economy. Indeed, in the new ~~Five Year~~ Plan, defense continues to receive top priority.
- At the same time the Soviets will seek to preserve and extend their existing military advantages and continue to try to erode remaining US advantages.

At the same time we do not see the Soviets launching a major military offensive against Western Europe or the US in the foreseeable future. Indeed, out of self interest, Moscow will try to revive a better relationship with the US to obtain trade, technology, removal of the grain embargo and to constrain US arms programs. We believe they will wait at least a few months for signals from the new Administration on the grain embargo, trade and SALT. On the whole, however, we believe Soviets are pessimistic about any significant improvement in relations with the US.

The outlook then is for an intensified, aggressive Soviet competition in arms and foreign affairs. In the 80s, as in the past, Soviet restraint in arms or in foreign adventures will depend primarily on their assessment of the costs and risks. They have judged both low in recent years. Positive incentives alone -- trade, grain, technology -- are insufficient to bring about restraint. On the other hand, the Soviets always carefully, cautiously assess the risk of a direct confrontation with the United States. While they probably assess that risk differently now than a number of years ago, we believe they still prefer to avoid such confrontations, especially if a military clash is possible. ^{The} Soviet assessment of this risk clearly is a key element in their foreign policy decisions.

The Soviet internal political situation is likely to produce considerable continuity with the assertive foreign policy described above and we believe this assertiveness will continue through much of the decade. There is a broad consensus in support of this policy under Brezhnev, and his heirs will maintain this course over the next several years.

In this connection, Brezhnev's power is currently at its peak. He has no apparent rivals in the Politburo and almost all of his opponents ~~or rivals~~ have been removed or died within the last seven years.

The succession itself seems to be on the back burner. Brezhnev has no apparent plans to step down and has avoided a formal designation of an heir. For the long term, Brezhnev's health is fragile and he is elderly. When he dies we expect there will be a two-stage succession. No one will inherit all of his power. There will continue to be a collective leadership. Initially, the new party leader is likely to be a Brezhnev associate. Over time, however, prospect for change are greater as the old guard departs. Nevertheless, the power consolidation necessary for new policies will make their adoption difficult.

The consensus for change usually is lacking in a collective leadership and advocates of change run political risks, especially if they seek to make major changes in the economy or shift priority ~~as~~ away from defense. Therefore, the most likely prospect for the Soviet Union is the absence of significant change in its ^{present} foreign or domestic policies for the foreseeable future.